

# **EXHIBIT “1”**

**The New York Times** | <http://nyti.ms/1kfzYAS>

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WORLD CUP

# World Cup 2014: Executive Is Called Fugitive in Ticket-Selling Case

By SETH KUGEL JULY 11, 2014

SÃO PAULO, Brazil — A police investigation into an illegal ticket-selling scheme at the World Cup took a cinematic turn as one of the suspects slipped out of an employee entrance of the luxurious Copacabana Hotel in Rio de Janeiro just minutes before the police arrived to arrest him.

The suspect, Ray Whelan — an executive with Match Services, the company contracted by FIFA to sell match tickets and hospitality packages — can be seen on security footage casually following his lawyer, Fernando Fernandes, out an employee entrance of the hotel on Thursday afternoon. Police officers arrived minutes later with an arrest warrant. Whelan had been arrested earlier in the week and then released by a judge after a habeas corpus request.

“He’s a fugitive,” said Marcos Kac, the prosecutor in the investigation for Rio de Janeiro’s Public Ministry. “He escaped from the hotel. The police should have taken greater precautions.”

The state authorities alerted Brazil’s Federal Police and Interpol to prevent Whelan from fleeing the country, though the police had already retained his passport.

“We do not believe the term ‘fugitive’ is appropriate,” said a statement released by Match Services, which called his initial arrest “arbitrary and illegal.”

In a statement on Friday, Fernandes, the lawyer, said Whelan “did not know of the arrest order when he left the Copacabana Palace, and is not fleeing from Rio de Janeiro or the country.”

The police have been investigating an alleged Ticket Mafia, as the Brazilian press has called it, that supposedly acquired and sold World Cup match tickets and packages for well above list prices. The Rio de Janeiro police have recorded 50,000 phone calls, including around 900 calls between Whelan and Mohamadou Lamine Fofana, an Algerian who officials said was the mastermind of the operation, the police investigator Fabio Barucke told The Associated Press.

Investigators have accused 12 men of charges including ticket scalping, criminal conspiracy and, in three cases, bribing police officers in a sting operation. All but Whelan and José Massih, who assisted investigators during his initial arrest, are in police custody.

Fofana acquired tickets from Whelan — who had access through Match Services — and then sold them at a premium either directly or through agents, said Kac, the prosecutor. Illegal sales totaled about \$100 million, he said.

The police released to the Brazilian news media a short transcript of a call between the two men in which they discuss the sale of 24 ticket packages for about \$25,000 each, in cash. But in a statement, Jaime Byron, executive chairman of Match Services, questioned the investigators’ competence.

The police “are not experts in FIFA World Cup ticketing or hospitality,” he said. “A cursory review of the ticket and hospitality pages on FIFA.com would have alerted them to the fact that there is a distinction to be made between admission tickets and hospitality packages.”

Match Services said Whelan was offering to sell hospitality packages — including tickets to all seven matches in Rio de Janeiro as well as other services — and did not know Match Services had forbidden sales to Fofana.

“The 24 hospitality packages were offered on cash basis, which is highly unusual but permitted under the various terms and conditions,” Match Services said in the statement.

Kac, from the public ministry, questioned the legitimacy of that explanation. “It doesn’t seem that an actual business would receive \$600,000 in cash,” he said.

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## Director of FIFA hospitali-ty partner arrested in World Cup ticket scalping bust

By Brooks Peck  
July 7, 2014 4:44 PM  
Dirty Tackle



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Whelan, far right, at a FIFA press conference ahead of the 2014 World Cup draw (Getty)

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Rio de Janeiro police have confirmed that Ray Whelan, an executive director for FIFA partner Match Services, has been arrested under suspicion of running a major World Cup ticket scalping operation. Globo reports that Whelan was arrested at Copacabana Palace hotel, where agents found 100 match tickets in his room.

Match Services became FIFA's official hospitality partner for the 2010 and 2014 World Cups after submitting a winning bid of \$240 million. The deal was widely seen as controversial at the time since Philippe Blatter, nephew of FIFA president Sepp Blatter, is president of Infront Sports & Media, which is a minority shareholder in Match Services.

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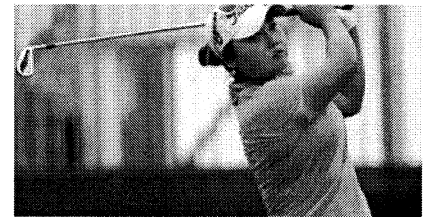


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According to the Associated Press, nearly 500,000 of the more than three million 2014 World Cup tickets were allocated to Match and unsold or unused corporate hospitality tickets were supposed to be returned to FIFA so they could then be made available to the public. Re-selling World Cup tickets for a profit is illegal in Brazil and against FIFA and Match rules. At least, the rules they claim to have.

The arrest of 11 people, including Algerian businessman Mohamadou Lamine Fofana, led police to Whelan after they determined that Fofana "had links to someone close to FIFA, who was the source of the unsold or unused tickets and who was staying at the Copacabana Palace Hotel in Rio de Janeiro."

Police estimated that the scalping ring was making almost \$500,000 per match, which works out to more than \$27 million so far, and were hoping to make \$16,000 per ticket for the World Cup final in Rio. Match has threatened to cancel tickets for the semi-final and final in the name of firms linked to the scheme, but with one of the company's own directors possibly serving as ringleader it might be difficult to throw the blame elsewhere.

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